

**PART 2A OF FORM ADV**

**FIRM BROCHURE**

**EASTBAY ASSET MANAGEMENT, LLC**

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**August 25, 2021**

**This “Brochure” provides information about the qualifications and business practices of EastBay Asset Management LLC (“EastBay” or “Adviser”). If you have any questions about the contents of this Brochure, please contact Jeff Ho at (212) 702-7155 or by e-mail at [jeff@eastbaycap.com](mailto:jeff@eastbaycap.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority, and references in this Brochure to the Adviser as a “registered investment adviser” are not intended to imply a certain level of skill or training.**

**Additional information about the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES**

This Item discusses only those material changes to EastBay's Brochure since EastBay's last annual updating amendment. This is EastBay's initial application Brochure. As such, there are no material changes to disclose in this Item.

In the future, when EastBay amends its Brochure for its annual update, and the amended version contains material changes from the last annual update, EastBay will identify and discuss those changes either on this page or as a separate document accompanying the Brochure. For documentation purposes, EastBay will provide the date of the last annual update of its Brochure.

## ITEM 3 – TABLE OF CONTENTS

### Contents

ITEM 2 – MATERIAL CHANGES .....	II
ITEM 3 – TABLE OF CONTENTS .....	III
ITEM 4 – ADVISORY BUSINESS .....	1
ITEM 5 – FEES AND COMPENSATION .....	2
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	3
ITEM 7 – TYPES OF CLIENTS .....	4
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS .....	4
ITEM 9 – DISCIPLINARY INFORMATION .....	9
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	9
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING .....	9
ITEM 12 – BROKERAGE PRACTICES .....	11
ITEM 13 – REVIEW OF ACCOUNTS .....	12
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION .....	13
ITEM 15 – CUSTODY .....	13
ITEM 16 – INVESTMENT DISCRETION .....	13
ITEM 17 – VOTING CLIENT SECURITIES .....	13
ITEM 18 – FINANCIAL INFORMATION .....	14

## ITEM 4 – ADVISORY BUSINESS

EastBay, a Delaware limited liability company formed in January 2013, provides discretionary investment advisory services to private investment funds.

EastBay is a long/short equity investment manager that primarily invests in equity and equity-related securities in the Asian Consumer and Technology sectors. EastBay serves as investment manager to:

- EastBay Master Fund, LP (the “Master Fund”), a Cayman Islands limited partnership;
- EastBay Offshore Fund, Ltd (the “Offshore Fund”), a Cayman Islands exempted company which is a feeder fund of the Master Fund; and
- EastBay Onshore Fund LP (the “Onshore Fund”), a Delaware limited partnership which is a feeder fund of the Master Fund.

Collectively, the funds listed above are referred to in this Brochure as the “EastBay Funds.”

EastBay also provides discretionary sub-advisory services to a separate account (the “Managed Account”). For purposes of this Brochure, the term “Clients” generally collectively refers to the EastBay Funds and the Managed Account.

EastBay tailors its advisory services to the terms set forth in confidential private placement memoranda or similar documents (“Fund Documents”) provided to the EastBay Funds’ investors and the sub-advisory agreement (“Sub-Advisory Agreement”) in place for the Managed Account (collectively, the Fund Documents together with the Sub-Advisory Agreement are referred to as the “Agreements”). The Fund Documents set forth the EastBay Funds’ investment strategy, including guidelines regarding the types of securities each EastBay Fund will invest in and portfolio limits (if any). The Adviser does not tailor its advisory services to the individual needs of investors, and investors may not impose restrictions on investing in certain securities or types of investments. The Adviser will tailor its advisory services to the conditions set forth in the Agreements with its Clients.

The EastBay Funds have and may in the future enter into other arrangements (sometimes referred to as “side letters”) with certain prospective or existing shareholders, whereby such shareholders are subject to terms and conditions that are more advantageous than those received by other investors and as set forth in the EastBay Funds’ Fund Documents. Such modifications are solely at the discretion of the specific EastBay Fund and may, among other things, be based on the size of the shareholder’s investment in the relevant EastBay Fund or affiliated investment entity, an agreement by a shareholder to maintain such investment in the relevant EastBay Fund for a significant period of time, or other similar commitment by a shareholder to the applicable EastBay Fund.

The Adviser is principally owned by Steve Landry (the “Managing Member”).

The Adviser does not participate in wrap fee programs.

As of June 30, 2021, EastBay had \$109,500,000 in regulatory assets under management, all of which were managed on a discretionary basis. The Adviser does not manage assets on a non-discretionary basis.

## ITEM 5 – FEES AND COMPENSATION

The Adviser receives compensation from Clients based upon the amount of assets under management and performance of the assets managed by the Adviser. The management and performance fee terms and percentages for the Managed Account are separately negotiated with the Adviser and, thus, fees for the Managed Account differ from those of the EastBay Funds, which are described below.

### Management Fees

The Master Fund pays the Adviser a quarterly management fee in advance calculated at a rate that ranges from 0.0% to 1.75% per annum (rate dependent on class of interest/class of shares) of the net asset value of each common share as of the first business day of each calendar quarter without accrual of the incentive allocation (described below), if any. The management fee is payable within 10 days after the first business day of each calendar quarter. The management fee is deducted in determining the net profit or net loss of the Master Fund. The management fee for any period that is less than a calendar quarter will be prorated. If additional subscriptions are made to the Onshore or Offshore Funds during a calendar quarter, the management fee will be prorated and charged at the time of such subscription. The Adviser has and may, in its sole discretion, waive or modify the management fee in the future for shareholders that are members, employees or affiliates of the Adviser or the general partner of the Master Fund, relatives of such persons and for certain other investors.

### Incentive Allocation (Performance-based compensation)

Except as provided below, at the end of each fiscal year, an amount that ranges from 15% to 30% of the net profits (including realized and unrealized gains and losses and the rate is dependent on class of interest/class of shares) allocated to each common share of the Onshore and Offshore Funds are reallocated to the respective capital accounts in the Master Fund from the applicable capital account of the Onshore and Offshore Funds in the Master Fund, which are the Onshore and Offshore Funds' incentive allocations, subject to a loss carryforward. As a result, separate sub-accounts of the Onshore and Offshore Funds' capital accounts in the Master Fund have been established for each series of Common Shares. Under a loss carryforward provision contained in the Onshore and Offshore Funds' Fund Documents, if a common share has a loss chargeable to it during any fiscal year, and during a subsequent fiscal year there is a profit allocable to such common share, there will be no incentive allocation payable with respect to such share until the amount of the loss previously allocated to such common share has been recouped. The Master Fund's general partner has and may waive or modify the incentive allocation in the future for shareholders that are members, principals, employees or affiliates of the Adviser or the Master Fund's general partner, relatives of such persons, and for certain other investors. When calculating the incentive allocation, all items of income, loss, profit and expense incurred directly by the Onshore and Offshore Fund will be taken into account. The Master Fund's partnership agreement provides that the Onshore and Offshore Funds will be allocated the incentive allocations as of the end of each fiscal year and whenever common shares are redeemed.

EastBay deducts applicable fees from each investor's capital account. Investors do not have the ability to choose to be billed directly for fees incurred.

### Expenses

The Adviser is responsible for and pays all overhead expenses of an ordinary and recurring nature such as rent, supplies, secretarial expenses, stationery, charges for furniture and fixtures, employee insurance, payroll taxes and compensation of employees. The Funds bear all other expenses including fees paid to the

Adviser, fees and expenses paid to the EastBay Funds' administrator, legal, accounting, audit and other professional fees and expenses, organizational expenses, directors' fees and expenses, research expenses (including research-related travel), investment expenses such as Fund compliance, commissions, custodial fees, bank service fees and other expenses related to the purchase, sale or transmittal of fund assets. Each of the EastBay Funds amortize their organizational expenses over a period of up to 60 months from the date each EastBay Fund commenced operations.

The Onshore and Offshore Funds invest all their assets in the Master Fund. Each investment entity that invests in the Master Fund indirectly bears the expenses of the Master Fund pro rata based on its interest in the Master Fund.

From time to time, the EastBay Clients may invest in securities of investment companies that are not managed by the Adviser, such as closed-end funds, open-end funds and exchange-traded funds ("ETFs") as part of hedging, trading and investment strategies. To the extent that the EastBay Clients invest in such securities, the EastBay Clients incur layered fees; that is, they not only pay fees directly to the Adviser, but also pay fees charged by the entities that manage the investment companies' securities. Such fees may include custodial fees, management fees, early termination fees and other fees and expenses assessed by the sponsor, custodian, transfer agent or other service providers to an investment company.

The EastBay Clients are charged brokerage commissions and other transaction costs and expenses in connection with their trading and investment activities. Please refer to Item 12 of this Brochure for a description of EastBay's brokerage practices.

It should also be noted that if a trade error occurs, EastBay will not be responsible for gains or losses resulting from the trade error and the EastBay Funds will bear the respective gain or loss, except where such trade error is the result of EastBay's gross negligence, willful misconduct or fraud.

As previously noted, the Managed Account is subject to different terms and fees as such fee arrangements and terms are individually negotiated between EastBay and the Managed Account. A complete description of all fees, expenses and the methods of billing and how often such fees are charged for the Managed Account is disclosed within the Sub-Advisory Agreement which is entered into by EastBay and the Managed Account.

**It is important that investors/Managed Account refer to the applicable Agreements for a complete understanding of fees and other forms of compensation. The information contained herein is a summary only and is qualified in its entirety by such documents.**

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

EastBay receives performance-based compensation from all of its Clients. As a result, EastBay does not anticipate having the potential conflicts of interest that arise when an investment adviser has both Clients that pay performance-based compensation and Clients that do not. However, the existence of performance-based compensation creates an incentive for the Adviser to make more speculative investments on behalf of Client portfolios than it would otherwise make in the absence of such performance-based arrangements. In addition, differences in performance-based fees across Clients creates an incentive for EastBay to invest assets in a manner that would favor certain Client over other Clients. To address this issue, the Adviser has implemented policies and procedures in an effort to address, mitigate or assess conflicts of interest, including: a code of ethics; adhering to an investment allocation policy, which has been designed to ensure fair and equitable allocation of investment opportunities among those Clients that are eligible for such

investment opportunities; and disclosure of the potential conflicts in this Brochure. While EastBay seeks to prevent or detect and disclose the occurrence of conflicts, there is no guarantee that the Adviser's policies will reveal every actual or potential occurrence of conflicts.

**Complete fee disclosures are provided to investors in the EastBay Funds and the Managed Account within the Agreements and such disclosures should be reviewed carefully. The information contained herein is a summary only and is qualified in its entirety by such documents.**

## **ITEM 7 – TYPES OF CLIENTS**

The Adviser provides investment advisory services to private investment funds. EastBay also serves as sub-adviser to a separately managed account other than the EastBay Funds.

The EastBay Funds will offer interests only to certain financially sophisticated investors who meet qualification requirements under applicable securities laws and other laws. Admission to the EastBay Funds is not open to the general public.

The minimum initial investment of an investor in the EastBay Funds is \$1,000,000, although lesser commitment amounts have and may in the future be accepted under the discretion of the Adviser (or the applicable EastBay Fund's general partner).

The Managed Account is subject to different terms and fees than the EastBay Funds. Such fee arrangements and terms are individually negotiated. It should be noted that any Managed Account relationships are generally subject to significant account minimums.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

**Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

### **Methods of Analysis and Investment Strategies**

EastBay employs an investment process that combines extensive topdown industry analysis with focused and differentiated "bottom up" company due diligence. EastBay has identified these three major areas of focus for idea generation:

1. Thematic investing – EastBay believes the Asian Consumer and Technology sectors provide a powerful backdrop of trends that will continue their path, without substantial impact from macroeconomic forces. EastBay believes these technological and behavioral shifts are in the early innings and may offer ample opportunity for continued secular growth for consumer and enterprise category killers as well as disruptive challenges to incumbents. This tends to create a recognizable divergence of winners and losers. EastBay's industry expertise and extensive network provides an edge to identify transformative themes early in their life cycle and capitalize on inflection points as they arise.
2. Bottom-up investing – EastBay has identified investment opportunities that offer the potential for an asymmetrical risk/reward profile and favorable absolute returns in the Asian Consumer and

Technology sectors. EastBay's fundamental research is focused on exploring and quantifying these attributes to generate differentiated long and short ideas. EastBay maintains proprietary models and screens to identify these patterns with quality inputs from diligence of competitors, customers, management and industry contacts.

Compelling long traits include underfollowed, niche businesses; market leaders with improving competitive advantages; shareholder-friendly management teams; solid, sustainable "free cash flow" generation and favorable "return on invested capital"; and companies that trade at deep discounts to asset or strategic value – a value gap that EastBay believes will close over time whether through mergers, consolidations or material share repurchases. EastBay also sees opportunity for long investment in high short interest/poor sentiment/low expectation companies with identifiable catalysts to prove the bear thesis wrong.

Short idea opportunities are sourced from various buckets including over-hyped new businesses or fads; flawed business models facing structural or secular headwinds; high customer concentration; crowded longs with unrealistic expectations; low competitive advantages enabling new entrants to erode market share or margin profile; highly promotional, bad actor management teams; and ignored regulatory risks. Shorts are sized appropriately based on liquidity, risk/reward, and the timing of catalysts including product launches, negative delta in EastBay's estimates versus guidance, and government regulation.

3. Opportunistic trading – Individual stock volatility is on the rise in the Consumer and Technology sectors due to collapsing investment time horizons and short-term performance pressures. High conviction in EastBay's fundamental work and understanding market expectations allows EastBay to recognize irrational moves and opportunistically increase and decrease positions accordingly. EastBay's framework seeks to "look through" volatile stock movement and take advantage of overreaction to industry news and company results. Examples of opportunistic trading include, but are not limited to, misinterpretation of data or news flow; forced selling; mispriced options around events; and "poor setup" due to unrealistic short-term expectations with no impact to long-term outlook.

#### Sector Focus

EastBay is primarily focused on the Asian Consumer and Technology universe that encompasses a number of subsectors related to consumer discretionary spend, media consumption, and/or technology adoption. Specifically, EastBay's coverage consists of approximately 700 Asian companies in 20 Global Industry Classification Standard (GICS) recognized subsectors. These subsectors include, without limitation, internet and catalog retail, internet software and services, movies and entertainment, advertising, publishing, cable and satellite, broadcasting, home entertainment software, software, computer hardware, diversified telecom services, wireless telecom services, communications equipment, IT services, specialized consumer services, specialty retail, casinos and gaming, hotels, restaurant and leisure, application software, real estate services (internet based), consumer durables and apparel (entertainment related).

EastBay believes consumer and enterprise discretionary and consumption is close to a zero sum game and that the EastBay's coverage provides a differentiated look into the entire expenditure pie in many markets.

#### Risk Management

EastBay performs rigorous fundamental analysis to determine business, credit and liquidity risks to individual companies. Risk monitoring includes stock and industry concentration, foreign currency and macro exposure, growth/defensive/cyclical exposure, scenario analysis, gross and net exposure, as well as



liquidity at the stock and portfolio levels. EastBay believes low net exposure will serve to mitigate market risk. In addition, EastBay prefers strict process reviews over hard stop loss rules. Individual position reviews will be triggered on 15% relative underperformance vs. subsector peers. A five percent drawdown initiates a review of the entire portfolio. In these instances, EastBay is more apt to reduce gross exposure than reduce positions and change the portfolio risk profile. EastBay endeavors to protect assets and focus on capital preservation during these periods of underperformance.

### **Material Market and Investment Risks**

**Prospective investors and clients should consider the EastBay Clients managed by the Adviser to be speculative investments involving a high degree of risk as they are not intended to be a complete investment program. The EastBay Funds and Managed Account are designed only for sophisticated persons who are able to bear the risk of the loss of their entire investment in the EastBay Funds or portfolios. The following risk factors do not purport to be a complete explanation of all of the risks involved in an investment in the EastBay Funds or in any portfolio managed by the Adviser. Prospective investors and clients should carefully evaluate the following risks before making an investment through the EastBay Funds or the Adviser.**

**Short Sales** – Client portfolios engage in short sales. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on a portfolio. A short sale involves selling securities not currently owned (*i.e.*, selling borrowed securities) and exposes a portfolio to the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is the risk that the securities borrowed by a portfolio in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and a portfolio may be compelled to replace borrowed securities previously sold short with purchases in the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

**Asian Consumer and Technology Risks** - Certain Asian Consumer and Technology companies may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which EastBay invests could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may have inexperienced management, face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

Further, many Consumer and Technology companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which are frequently essential to the growth and profitability of a technology company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which EastBay invests. Conversely, other companies may make infringement claims against a company in which EastBay invests, which could have a material adverse effect on such company.

In addition, the markets in which many Consumer and Technology companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Many of these companies have a strong market presence, brand recognition and existing customer relationships, all of which contribute to intensifying competition. There can be no assurance that companies in which EastBay invests will successfully penetrate their markets or establish or maintain competitive advantages.

**Equity Securities** –EastBay may invest in equity and equity-related securities, including, without limitation, equity investments acquired in connection with restructured debt securities or instruments, or in connection with reorganizations and/or restructurings of debt securities, equity securities or other obligations and assets of undervalued, operationally challenged and/or financially troubled non-U.S. (primarily Asian) companies or institutions. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, equity securities that EastBay believes are undervalued or incorrectly valued may not ultimately be valued by the markets in the manner that the Investment Manager anticipates.

**Futures Contracts** – Client portfolios invests in futures contracts. Futures positions (including financial futures) may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Adviser from promptly liquidating unfavorable positions and subject portfolios to substantial losses. In addition, the Adviser may not be able to execute futures contract trades at favorable prices if little trading in the contracts involved is taking place. It also is possible that an exchange or the Commodity Futures Trading Commission may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Under the Commodity Exchange Act, futures commission merchants are required to maintain customers' assets in a segregated account. To the extent that a portfolio engages in futures and options contract trading and the futures commission merchants with whom the portfolio maintains accounts fail to segregate such assets, the portfolio will be subject to a risk of loss in the event of the bankruptcy of one of these futures commission merchants.

**Small to Medium Capitalization Companies** – Client portfolios invest a portion of their assets in the stocks of companies with small-to medium-sized market capitalizations. While the Adviser believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

**Counterparty and Settlement Risk** – To the extent a portfolio invests in swaps, derivatives or "synthetic" instruments, repurchase agreements, other over-the-counter transactions or non-United States securities or engages in securities lending, a portfolio may take a credit risk with regard to parties with which it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such

protections and expose the parties to the risk of counterparty default. Any such default by a trading counterparty could result in losses to the portfolio due to the delay of settlement of a transaction, loss of market gains or, in certain circumstances, loss of a portion or the full amount of the notional value of the transaction.

**Use of Leverage** – Client portfolios employ leverage, which may result in a portfolio controlling substantially more assets than the portfolio has equity. Leverage increases a portfolio's returns if the portfolio earns a greater return on investments purchased with borrowed funds than the portfolio's cost of borrowing such funds. However, the use of leverage exposes the portfolio to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the portfolio not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the portfolio's cost of borrowing such funds. In the event of a sudden, precipitous drop in the value of a portfolio's assets, the portfolio might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, the Adviser may find it difficult or impossible to obtain leverage for client portfolios. In such event, a portfolio could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Adviser being forced to unwind the portfolio's positions quickly and at prices below what the Adviser deems to be fair value for such positions.

**Special Situations** –EastBay may invest in companies involved in, or the target of, acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to EastBay of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, EastBay may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of the transactions involving financially troubled companies in which EastBay may invest, there is a potential risk of loss by EastBay of its entire investment in such companies.

**Lack of Liquidity of Investments** – Client portfolio assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to accurately value any such investments.

**Lack of Diversification** – A client's portfolio may not be widely diversified among sectors, industries, geographic areas or types of securities. Accordingly, portfolio investments may be subject to more rapid change in value than would be the case if a portfolio were required to maintain a wide diversification among countries and industries.

**The foregoing is a summary of some of the significant risks associated with investing in a Client. This summary does not attempt to describe all risks associated with an investment in a Client. It is very important that investors and the Managed Account refer to the Agreements for a complete understanding of the material risks involved in relation to EastBay's investment strategies and methods of analysis. The information contained herein is a summary only and is qualified in its entirety by such documents.**

## **ITEM 9 – DISCIPLINARY INFORMATION**

Neither the Adviser nor any of its management persons have any legal or disciplinary events that would be material to an investor’s evaluation of the Adviser or the integrity of the Adviser’s management.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither EastBay nor any of its management persons is registered, or has an application pending to register, as: (i) a broker-dealer; (ii) a registered representative of a broker-dealer; (iii) a futures commission merchant; (iv) a commodity pool operator; (v) a commodity trading advisor; or (vi) is an associated person of any of (iii), (iv) or (v).

EastBay General Partner LLC, an affiliate of EastBay, serves as general partner of the Master Fund and the Onshore Fund. The Managing Member controls the general partner. EastBay, its employees or their related persons may also invest directly in the EastBay Funds. It should be noted that investments in the EastBay Funds made by such parties are generally not subject to the management fees or performance-based fees described in Item 5 above. Further, investments made by the general partner and certain of such related parties have more frequent liquidity terms than those described in the EastBay Funds’ Fund Documents.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING**

EastBay’s Code of Ethics (the “Code”) is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Code applies to EastBay’s “Access Persons.” Access Persons include, generally, any partner, officer or director of EastBay and any employee or other supervised person of EastBay who, in relation to the Adviser’s investment advisory activities, (1) has access to nonpublic information regarding any purchase or sale of securities, or nonpublic information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are nonpublic. All EastBay employees are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account the Adviser’s status as a fiduciary and requires Access Persons to place the interests of EastBay’s Clients (and investors in the EastBay Funds) above their own interests and the interests of the Adviser and its affiliates. All Access Persons are required to acknowledge their receipt of, and agreement to abide by, the Code upon hire and at least annually thereafter. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of the Adviser’s Chief Compliance Officer (the “CCO”).

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide the Adviser’s CCO with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, the Adviser’s Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.

The Adviser manages the potential conflicts of interest inherent in personal trading by Access Persons through rigorous enforcement of its Code, which contains limitations on Access Persons' personal investment activities. Access Persons' personal securities transactions are required to be made in accordance with the Adviser's Code. In addition, the Adviser receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The CCO reviews Access Persons' personal transaction and holdings reports in an effort to ensure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code. Access Persons are prohibited from trading in securities issued by companies domiciled in Asia. This restriction does not apply to the sale of existing positions in companies meeting this criteria that were acquired prior to September 2020. No Access Person, unless otherwise approved by the CCO or, as applicable, the Managing Member, is permitted to make personal investments in reportable securities (other than ETFs and municipal bonds). Transactions to close out positions held prior to employment (other than ETFs and municipal bonds) at the Adviser are also subject to prior approval by the CCO.

The Adviser's policies and procedures also seek to ensure the protection of nonpublic information about securities and investment recommendations provided to (or made on behalf of) the Clients. The Adviser maintains a "Restricted List" with the names of issuers of securities about which the Adviser (or its Access Persons) has learned material, nonpublic information or that may require, for business or legal reasons, the EastBay Funds, Clients and Access Persons do not trade in the securities for a specific period of time. Access Persons are strictly prohibited from trading securities on the Restricted List (or any other securities to which the material, nonpublic information relates) either in their personal accounts or on behalf of the Adviser's Clients. In addition, the Adviser's policies and procedures seek to ensure the protection of nonpublic information about the activities of the Adviser's Clients.

EastBay General Partner LLC serves as the general partner of the Master Fund and the Onshore Fund and EastBay serves as investment manager to the EastBay Funds. EastBay, its employees or their related persons may also invest directly in the EastBay Funds. It should be noted that investments in the EastBay Funds by EastBay, its employees or related persons are generally not subject to the management fee and/or the performance-based allocation described in Item 5. Further, investments made by EastBay General Partner LLC and certain of such related parties have more frequent liquidity terms than those described in the EastBay Funds' Fund Documents.

The fact that EastBay, its affiliates, its employees or their related persons have a financial ownership interest in the EastBay Funds creates a potential conflict in that it could cause EastBay to make different investment decisions than if they did not have such a financial ownership interest. Further, EastBay receives compensation based on a percentage of assets under management from the EastBay Funds. This asset-based fee is payable without regard to the overall success or income earned by the EastBay Funds and therefore may create an incentive on the part of EastBay to raise or otherwise increase assets under management to a higher level than would be the case if EastBay were receiving a lower or no asset-based fee. The receipt of performance-based allocation by EastBay may create an incentive for EastBay to make/recommend investments that are riskier or more speculative than it otherwise would.

The Code will be provided to Clients (or investors in the EastBay Funds) upon request by contacting the CCO, Jeff Ho at (212) 702-7155 or via e-mail at [jeff@eastbaycap.com](mailto:jeff@eastbaycap.com).

## ITEM 12 – BROKERAGE PRACTICES

EastBay has the authority for selecting the broker-dealer used in each transaction for Client portfolios and for negotiating the fees to be paid to the broker-dealer in connection with such transactions. EastBay recognizes its duty to obtain “best execution.” Consistent with such duty, in determining best execution, EastBay takes into account the full range and quality of a broker-dealer’s services, including research and other services. EastBay does not select broker-dealers solely on the basis of lowest possible commission costs, but by the best qualitative execution.

Consistent with such policy, consideration is given to a variety of factors, including but not limited to, one or more of the following:

- the operational facilities of the broker or dealer;
- the type and size of the transaction involved;
- the financial stability of the broker or dealer;
- execution and settlement capabilities;
- research services and EastBay’s arrangements related thereto;
- the actual executed price of the security and the broker’s commissions and dealer’s spread or mark-up; and
- the ability to handle a block order for securities and distribution capabilities.

While EastBay’s primary consideration in allocating portfolio transactions to broker-dealers is to obtain favorable prices and efficient executions, EastBay does not have an obligation to, and does not always seek to, obtain the lowest priced execution regardless of qualitative considerations. Commission rates are generally negotiable and thus selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable.

Subject to the objective of seeking best execution, EastBay also takes into consideration research and other brokerage services provided by the broker executing trades, which are included in the commission rate. When EastBay uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for the research, products or service. In addition, EastBay could have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the clients’ interest in receiving most favorable execution.

Section 28(e) of the Securities Exchange Act, as amended, is a “safe harbor” that permits an investment manager to use commissions or “soft dollars” to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Except for services that would be a fund expense or as otherwise described below, the Adviser will limit the use of “soft dollars” to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e). The use of commissions arising from Clients’ investment transactions for services other than research and brokerage will be limited to services that would otherwise be a fund expense, including, but not limited to, research-related travel expenses, expenses associated with risk management and investment-related compliance software and independent risk analyses. The use of commissions to obtain such other services would be outside the parameters of Section 28(e).

In some instances, the Adviser may receive a product or service that could be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making

responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions, and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. Research and brokerage services obtained by the use of commissions arising from a client's portfolio transactions could be used by the Adviser in its other investment activities and thus, a client may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Research and related services obtained with "soft dollars" could be, among other things, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; and discussions with research personnel and industry experts, including through the use of expert networks. During its last fiscal year, the Adviser obtained research and related services with "soft dollars" that included market, financial and economic studies and forecasts; market data; and risk analytics.

From time to time EastBay will aggregate trades placed for its Clients unless it believes that doing so would conflict or otherwise be inconsistent with its duty to seek best execution for its Clients, and/or the terms of the respective Agreements. When EastBay believes that it can effectively obtain best execution for its Clients by aggregating trades, it will generally do so for all Clients for whom the trades are both suitable and consistent with the respective Agreements.

Broker-dealers, including the EastBay Funds' prime brokers, may, from time to time, permit the Adviser to participate in capital introduction programs with respect to the EastBay Funds and/or recommend the EastBay Funds as an investment to clients. Portfolio transactions may be placed with firms who have made such recommendations or provided capital introduction opportunities, if otherwise consistent with seeking best execution. In no event will the Adviser select a broker or dealer as a means of remuneration for recommending the EastBay Funds or Managed Account managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

## **ITEM 13 – REVIEW OF ACCOUNTS**

Client portfolios will be under continuous review by the Managing Member with regard to investment policy, the suitability of the investments used to meet policy objectives and investment objectives. The portfolios will be reviewed on a daily basis. The review will include, among other things, investment performance and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return. Additional or more frequent reviews may be triggered by investment performance, changes in market conditions, or other non-market risk analysis.

EastBay or the EastBay Funds' administrator will provide investors in the EastBay Funds monthly unaudited reports regarding the performance of the EastBay Funds. In addition, investors in the EastBay Funds receive a monthly performance update, a quarterly letter from the Adviser and annual audited financial statements. The frequency and type of reporting to the Managed Account is subject to terms that are individually negotiated.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

EastBay has in the past but does not currently utilize any third-party solicitors. In the future, EastBay may enter into written arrangements with third parties to act as solicitors or marketers for funds managed by EastBay. As applicable, all such compensation would be fully disclosed to each client consistent with applicable law. All such referral activities would be conducted in accordance with Rule 206(4)-(3) under the Advisers Act, as well as relevant SEC guidance.

## **ITEM 15 – CUSTODY**

EastBay is deemed to have custody of the EastBay Funds by virtue of its status as investment manager or through its affiliation with the EastBay Funds' general partner, as applicable. To ensure compliance with Rule 206(4)-2 under the Advisers Act, investors receive audited financial statements for the applicable EastBay Fund, prepared by an independent accounting firm that is registered with and subject to inspection by the Public Company Accounting Oversight Board, within 120 days of the end of the relevant EastBay Fund's fiscal year. Investors should carefully review the audited financial statements of the applicable EastBay Fund.

EastBay is of the view that it does not have custody over the cash or securities of the Managed Account.

## **ITEM 16 – INVESTMENT DISCRETION**

EastBay has discretionary authority to manage all of its Clients' accounts and to make purchase and sale decisions for all its Clients' accounts.

The EastBay Funds' investment strategies are set forth in detail in applicable Fund Documents. Investors in the EastBay Funds do not have the ability to impose limitations on EastBay's discretionary authority. Prospective investors should carefully review all Fund Documents prior to making an investment and should consult with their legal, tax, or other advisers prior to making any investment. Prospective investors must also execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

## **ITEM 17 – VOTING CLIENT SECURITIES**

EastBay has authority to vote securities on behalf of its Clients. Accordingly, EastBay has adopted proxy voting policies and procedures that address how EastBay votes proxies. Prior to voting any proxies, the Managing Member determines whether there are any material conflicts of interest related to the proxy in question. If no material conflict is identified, the Managing Member determines the manner in which to vote the proxy in question in accordance with EastBay's internal guidelines. EastBay may not vote every proxy. There may be times when refraining from voting is in the Clients' best interests, such as when EastBay's analysis of a particular proxy reveals that the cost of voting the proxy exceeds the expected benefit to the Client(s) (e.g., casting a vote in a foreign security may require that EastBay engage a translator or travel to a foreign country to vote in person). Investors in the EastBay Funds do not have authority to direct EastBay's vote in a particular solicitation.



EastBay keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each request for proxy voting records and EastBay's response for the previous five years. Clients may obtain (i) a copy of EastBay's proxy voting policies and procedures and/or (ii) information on how EastBay has voted proxies with respect to the Client's securities by contacting Jeff Ho at (212) 702-7155 or by e-mail at [jeff@eastbaycap.com](mailto:jeff@eastbaycap.com).

## **ITEM 18 – FINANCIAL INFORMATION**

The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. The Adviser has not been the subject of a bankruptcy petition.